

**UNCONDITIONAL REINSTATEMENT EFFECTIVE IMMEDIATELY**

*In re James F. Bailey, Jr.*, Supreme Court Case No. 35, 2004.

By Order dated February 10, 2004, the Delaware Supreme Court reinstated James F. Bailey, Jr. as a member of the Delaware Bar. The reinstatement is effective immediately without conditions.

By Order dated May 2, 2003, Mr. Bailey was suspended from the practice of law for a period of six months and one day based upon his knowing failure to discharge his responsibilities as managing partner of his law firm by engaging in ethical misconduct in violation of numerous books and recordkeeping Rules of the Delaware Lawyers' Rules of Professional Conduct ("Rules"). These violations included (1) failure to reconcile the escrow account for a one-year period; (2) the escrow account held more than the \$500.00 of firm funds allowed under the Rules; (3) overdraft balances in an inactive escrow account for approximately one year; (4) discrepancies in the escrow account from January through June 1999 whereby checks totaling \$27,800.00 were withdrawn from that account and deposited into the firm operating account, and non-existent "deposits in transit" were noted on the escrow account books to reconcile the account balances; (5) failure to reconcile the operating account for approximately one year; (6) overdraft balances in the operating account every month from September 1998 through March 2000 and from September 2000 through January 2001; (7) failure to timely file and pay federal, state, and city payroll taxes for approximately one year; (8) failure to timely file and pay the firm's corporate taxes for three years; (9) failure to timely file and pay Delaware gross receipts taxes for two quarters in 2000; (10) Mr. Bailey's failure to timely file and pay his individual income taxes for three years; and (11) Mr. Bailey's false certification to the Supreme Court that he was in compliance with his tax and/or recordkeeping obligations for four years.

The Board has determined, and the Court has affirmed, that Mr. Bailey is fit to return to the practice of law without conditions.